

Inspector General

United States
Department of Defense



Guidance Needed to Prevent Military Construction
Projects From Exceeding the Approved Scope of Work

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Acronyms and Abbreviations

AFCEE	Air Force Center for Engineering and the Environment
AFCENT	U.S. Air Forces Central
ARCENT	U.S. Army Central
MILCON	Military Construction
O&M	Operations and Maintenance
SOW	Statement of Work
USACE	U.S. Army Corps of Engineers
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

February 27, 2012

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE
FOR INSTALLATIONS AND ENVIRONMENT
ASSISTANT SECRETARY OF THE AIR FORCE FOR FINANCIAL
MANAGEMENT AND COMPTROLLER
COMMANDER, U.S. ARMY CENTRAL
COMMANDER, U.S. AIR FORCES CENTRAL
AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Guidance Needed to Prevent Military Construction Projects From Exceeding the
Approved Scope of Work (Report No. DODIG-2012-057)

We are providing this report for review and comment. The Army and Air Force requirements development and design processes for the projects reviewed resulted in statements of work that had defined requirements, had measurable outcomes, and generally met DoD's needs. However, Army and Air Force officials did not construct primary facilities for three projects in accordance with facility sizes on the congressional request for authorization. In addition, Air Force Center for Engineering and the Environment officials improperly authorized the expenditure of at least \$3.3 million for one project during the requirements development and design processes.

We considered management comments on a draft of this report when preparing the final report. DoD Directive 7650.3 requires that recommendations be resolved promptly. The Deputy Under Secretary of Defense for Installations and Environment, U.S. Air Forces Central, and U.S. Army Corps of Engineers comments were responsive and we do not require additional comments. The U.S. Army Central comments were partially responsive. We request that U.S. Army Central provide additional comments on Recommendation B.1 by April 13, 2012. We did not receive comments from the Air Force Center for Engineering and the Environment before issuing this final report. We request that the Air Force Center for Engineering and the Environment provide comments on Recommendations A.3, A.5, and B.2 by April 13, 2012.

If possible, send a portable document format (.pdf) file containing your comments to audjsao@dodig.mil. Copies of your comments must have the actual signature of the authorizing official for your organization. We are unable to accept the /Signed/ symbol in place of the actual signature. If you arrange to send classified comments electronically, you must send them over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Please direct questions to me at (703) 604-8905 or DSN 664-8905.

A handwritten signature in black ink, reading "Amy J. Frontz". The signature is written in a cursive, flowing style.

Amy Frontz
Principal Assistant Inspector General for
Auditing

cc:

Commander, U.S. Central Command
Commander, U.S. Forces-Afghanistan
Commanding General, U.S. Army Corps of Engineers
Director, Air Force Center for Engineering and the Environment



Results in Brief: Guidance Needed to Prevent Military Construction Projects From Exceeding the Approved Scope of Work

What We Did

This audit is the first in a series of reports on military construction (MILCON) projects in Afghanistan. Our objective was to evaluate the requirements development process for MILCON projects in Afghanistan. We evaluated the Army and Air Force requirements development and design processes for 17 projects, totaling approximately \$456 million. We determined whether the requirements development and design processes resulted in statements of work that defined requirements, had measurable outcomes, and met DoD's needs.

What We Found

The Army and Air Force requirements development and design processes for the 17 projects reviewed resulted in defined requirements, measurable outcomes, and projects that generally met DoD's needs. Despite the processes, one Air Force project did not fully meet DoD's needs. Specifically, the Air Force project justification required the repair of a runway to be C-17 aircraft capable, but the justification did not include a requirement for wider taxiways to support C-17 aircraft. Subsequently, Congress approved a separate project that included the necessary taxiway to fully meet DoD's needs.

In addition, the design process for 3 of the 17 projects did not result in U.S. Army Corps of Engineers (USACE) and Air Force Center for Engineering and the Environment (AFCEE) officials constructing facilities in accordance with facility sizes on the congressional request for authorization. This occurred because the scope of work variations permissible by section 2853, title 10, United States Code, from the congressional request for authorization are unclear and inconsistently applied. As a result, DoD officials do not have assurance that MILCON projects are built consistent with congressional intent and in accordance with legislative requirements.

Additionally, AFCEE officials improperly authorized the construction of facilities for one project. This occurred because AFCEE officials did not conduct scope verifications and perform proper contract administration. As a result, AFCEE officials improperly authorized the expenditure of at least \$3.3 million.

What We Recommend

Among other recommendations, we recommend that the Deputy Under Secretary of Defense for Installations and Environment issue clarification guidance to define the scope of work outlined in section 2853, title 10, United States Code, that may not be exceeded. Once the Deputy Under Secretary of Defense for Installations and Environment issues clarifying guidance, we recommend that the Commanding General, USACE and Director, AFCEE develop and implement procedures to perform scope verifications to ensure compliance with section 2853, title 10, United States Code.

We also recommend that the Director, AFCEE identify the officials responsible for not performing proper contract administration, perform a review of the contract file to ensure it is complete and accurate, and initiate administrative action, as deemed appropriate.

Management Comments and Our Response

The Deputy Under Secretary of Defense for Installations and Environment, U.S. Air Forces Central, and USACE agreed with the recommendations, and the comments were responsive. The comments from U.S. Army Central were partially responsive. We issued a draft of this report on December 19, 2011. We did not receive comments from AFCEE before issuing this final report. We request that U.S. Army Central provide additional comments and AFCEE provide comments by April 13, 2012. Please see the recommendations table on the back of this page.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Deputy Under Secretary of Defense for Installations and Environment		A.1
Commander, U.S. Army Central	B.1	A.2
Commander, U.S. Air Forces Central		A.3
Commanding General, U.S. Army Corps of Engineers		A.4.a-b
Director, Air Force Center for Engineering and the Environment	A.3, A.5, B.2.a-c	

Please provide comments by April 13, 2012.

Table of Contents

Introduction	1
Objective	1
Background	1
Requirements Development and Design Processes for Military Construction Projects in Afghanistan Executed Under the Design-Build Strategy	1
Project Requirements Documents	2
Projects Reviewed	5
Review of Internal Controls	6
 Finding A. Requirements Development and Design Processes Generally Met DoD’s Needs, but the Design Process Did Not Always Ensure Projects Were Constructed in Accordance With the Request for Authorization	 7
Projects Had Defined Requirements and Measurable Outcomes	7
One Project Did Not Fully Meet DoD’s Needs	8
Projects Not Constructed in Accordance With the Facility Sizes on the Request for Authorization	9
Permissible Scope of Work Variations Are Unclear	12
Permissible Scope of Work Variations Are Not Consistently Applied and Are Subject to Informal Guidance	13
Guidance and Procedures Needed to Ensure Military Construction Projects Are Built Consistent With Congressional Intent	14
Management Comments on the Finding and Our Response	14
Recommendations, Management Comments, and Our Response	15
 Finding B. Air Force Center for Engineering and the Environment Improperly Authorized Construction and Preparation Activities at Camp Phoenix and New Kabul Compound	 18
Background on Camp Phoenix North Expansion Project	18
Construction of Facilities for One Project Not Authorized	19
Scope Verifications Not Performed	22
Contract Administration Needed Improvement	22
Expenditure of Funds Not Authorized	23
Management Actions Taken and Planned	23
Management Comments on the Finding and Our Response	23
Recommendations, Management Comments, and Our Response	24
 Appendices	
A. Scope and Methodology	26
Contracts Reviewed	26
Use of Computer-Processed Data	30
Prior Coverage	30
B. DD Form 1391, “FY __ Military Construction Project Data”	32

Table of Contents (cont'd)

Glossary	34
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Management Comments

Deputy Secretary of Defense for Installations and Environment	36
U.S. Central Command	37
U.S. Army Corps of Engineers	49

Introduction

Objective

This is the first in a series of reports on military construction (MILCON) projects in Afghanistan. Our audit objective was to evaluate the requirements development process for MILCON projects in Afghanistan. We evaluated the Army and Air Force requirements development and design processes for 17 projects, totaling approximately \$456 million. We determined whether the requirements development and design processes resulted in statements of work (SOW) that defined requirements, had measurable outcomes, and met DoD's needs. See Appendix A for the audit scope, methodology, and prior coverage related to the audit objective.

Background

MILCON can include any construction, development, conversion, or extension of any kind to a military installation, whether to satisfy temporary or permanent requirements. Section 2802, title 10, United States Code, states that the Secretary of Defense and the Secretaries of the Military Departments may carry out MILCON projects, as authorized. Generally, MILCON projects are authorized through congressional notification or approval, depending on the type and amount of funding used.¹ MILCON projects can be paid for with different types of funds such as Specified Military Construction, Unspecified Minor Military Construction, and Operations and Maintenance (O&M).² As of October 2011, U.S. Forces-Afghanistan officials programmed or planned approximately \$5.5 billion for FY 2007 through FY 2014 to complete MILCON projects³ in Afghanistan.

Requirements Development and Design Processes for Military Construction Projects in Afghanistan Executed Under the Design-Build Strategy

For the purpose of consistency in this report and based on information provided by U.S. Army Corps of Engineers (USACE) and Air Force Center for Engineering and the Environment (AFCEE) officials, we divided the MILCON process for projects executed under the design-build strategy⁴ into two parts: the requirements development process and the design process. The requirements development process occurs during the project planning phase. During the project planning phase, U.S. Army Central (ARCENT) and U.S. Air Forces Central (AFCENT) officials are responsible for identifying user primary and supporting facility requirements for MILCON projects in their area of responsibility. Once ARCENT and AFCENT officials identify the requirements, the applicable Service

¹ Contingency Construction Authority authorizes the use of O&M funds for MILCON projects outside the United States when those projects meet certain criteria.

² For the definition of these and other terms, see the Glossary.

³ The amount of MILCON projects programmed or planned does not include O&M funded projects.

⁴ MILCON projects executed under the design-build strategy are both designed and constructed by the same contractor.

Secretary, the Under Secretary of Defense (Comptroller)/Chief Financial Officer (USD[C]/CFO), or Congress must approve those requirements.⁵

Once approved, the project enters the design process. The design process occurs during the contract development and design and construction phases. During the contract development phase, the construction agent,⁶ in coordination with the user, prepares the SOW to describe all work to be performed by the contractor. USACE or AFCEE act as the construction agent, as appropriate, and awards the contract. USACE is the lead construction agent supporting the U.S. Central Command area of responsibility, including Afghanistan. AFCEE may be designated as the construction agent in specific cases in accordance with the procedures outlined in DoD Directive 4270.5, "Military Construction," February 12, 2005. During the design and construction phase, the construction agent is responsible for performing oversight of the contractor and conducting contract administration. This includes reviewing and accepting changes to the SOW and design drawings at various stages of construction through completion and acceptance of the primary and supporting facilities.

Project Requirements Documents

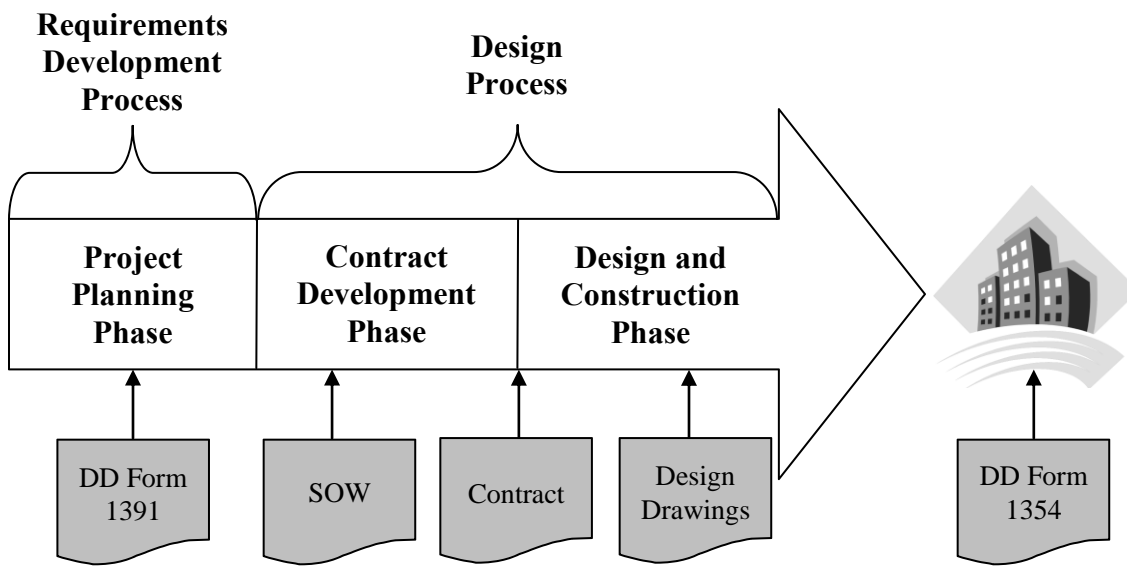
Multiple documents are prepared in the requirements development and design processes for MILCON projects executed under the design-build strategy. During the requirements development process, the DD Form 1391, "FY __ Military Construction Project Data," expresses the user's facility needs. During the design process, the SOW describes the work to be performed by the contractor and the contractor's design drawings represent different stages of project design. Upon project completion, the user signs a DD Form 1354, "Transfer and Acceptance of DoD Real Property," to signify acceptance.

⁵ The appropriate requirement approval authority is dependent on the type and amount of funding used for the MILCON project.

⁶ A construction agent is an approved DoD activity with various assigned responsibilities during the design process.

Figure 1 shows the project requirements documents as they relate to the phases of the requirements development and design processes for MILCON projects executed under the design-build strategy.

Figure 1. Project Requirements Documents and the Phases of the Requirements Development and Design Processes for MILCON Projects Executed Under the Design-Build Strategy



DD Form 1391

The DD Form 1391 is the principal project justification document to express the user's facility needs to request authorization and funds from Congress through the chain of command. The DD Form 1391 should provide detailed, informative statements as to why the project is needed and must identify each primary and supporting facility required to complete the construction project and the unit of measure, unit quantity, and unit cost for each facility. For projects that require congressional notification or approval,⁷ the United States Code establishes legal requirements for staying within the project scope of work on the DD Form 1391. According to section 2853, title 10, United States Code (10 U.S.C. § 2853), the scope of work for a MILCON project may not be reduced by more than 25 percent and may not be increased from the justification data provided to Congress on the congressional request for authorization, the DD Form 1391. However, if a reduction in the scope of work permissible or cost increase is necessary, Congress must be notified in writing.⁸ See Appendix B for an example of a DD Form 1391.

⁷ For MILCON projects funded under Contingency Construction Authority, projects are not authorized to proceed until written approval is provided by the USD(C)/CFO and after the 10-day waiting period upon notification to Congress has expired.

⁸ For MILCON projects funded under Contingency Construction Authority, the USD(C)/CFO must approve scope changes that require funds in excess of the approved amount and submit a congressional notification.

Statement of Work

The construction agent, in coordination with the user, prepares the SOW,⁹ which builds on the DD Form 1391 and defines, either directly or by reference to other documents, all work to be performed by the contractor. Military Handbook 245D, “Handbook for Preparation of Statement of Work (SOW),” April 3, 1996, states that preparation of an effective SOW requires both an understanding of the goods or services that are needed to satisfy a particular requirement and an ability to define what is required in specific, performance-based, quantitative terms.

Design Drawings

Based on the SOW, the contractor develops and submits design drawings to the construction agent for acceptance throughout the design and construction phase. The design drawings represent different stages of project design and include the design completion status in percentages, such as 30 to 35 percent, 50 to 65 percent, or 100 percent. The contractor uses the design drawings to carry out the SOW requirements and complete the MILCON project.

DD Form 1354

Upon project completion, the user accepts the construction of the primary and supporting facilities on a DD Form 1354. A DD Form 1354 is an instrument used by Military Services to accept new construction or capital improvements and to transfer real property assets between Services. U.S. Government liability for a facility starts upon occupancy or formal acceptance of the facility on the DD Form 1354, whichever comes first.

⁹ USACE project requirements include a technical requirements document that encompasses the scope of work. The USACE scope of work is equivalent to the SOW used in AFCEE project requirements.

Projects Reviewed

We nonstatistically selected 10 contracts that were provided by USACE and AFCEE for projects in Afghanistan, totaling approximately \$456 million. Specifically, we selected five USACE and five AFCEE contracts, delivery orders, or task orders that encompassed 17 projects. All of the projects selected were executed under the design-build strategy. Table 1 shows the projects reviewed. Although Project ACC101101 was a repair project and not a construction project, the requirements for Project ACC101101 were approved on a DD Form 1391, “FY __ Military Construction Project Data,” and therefore, we included Project ACC101101 in the scope of the audit. Tables A-1 and A-2 in Appendix A provide the name and location of the USACE and AFCEE projects, respectively.

Table 1. Projects Reviewed

U.S. Army Corps of Engineers Projects		Air Force Center for Engineering and the Environment Projects	
Project Numbers	Contract Number and Contract Cost	Project Numbers	Contract Number and Contract Cost
73087 ¹ 73089 ¹	W912ER-09-C-0011 \$42.6 Million	CMBA093940 ⁴ CMBA093950 ⁴ 73290 ¹	FA8903-06-D-8505, Task Order 0016 \$185.1 Million
73395 ²	W912ER-09-C-0037 \$12.2 Million	CMBA093975 ³ 77159 ¹	FA8903-06-D-8505, Task Order 0023 \$61.5 Million
72605 ²	W5J9JE-10-D-0006, Delivery Order 0002 \$11.1 Million	ACC101101 ⁵	FA8903-06-D-8506, Task Order 0004 \$36.6 Million
LYAV093300 ³ LYAV103200 ³ KARD104320 ³	W912ER-10-C-0034 \$31.9 Million	68628 ¹	FA8903-06-D-8510, Task Order 0007 \$31.8 Million
77608 ¹	W912ER-10-C-0054 \$29.5 Million	73222 ² 73210 ²	FA8903-06-D-8511, Task Order 0056 \$13.9 Million

¹ Funded with O&M, Army funds under Contingency Construction Authority.

² Funded with Military Construction, Army funds.

³ Funded with Military Construction, Air Force funds.

⁴ Funded with O&M, Air Force funds under Contingency Construction Authority.

⁵ Funded with O&M, Air Force funds.

Review of Internal Controls

We identified internal control weaknesses as defined by DoD Instruction 5010.40, “Managers’ Internal Control Program (MICP) Procedures,” July 29, 2010. We identified that AFCEE officials for one contract did not conduct scope verifications and perform proper contract administration. We will provide a copy of this report to the senior officials responsible for internal controls at AFCEE.

Finding A. Requirements Development and Design Processes Generally Met DoD's Needs, but the Design Process Did Not Always Ensure Projects Were Constructed in Accordance With the Request for Authorization

The Army and Air Force requirements development and design processes for the 17 projects reviewed, totaling approximately \$456 million, resulted in defined requirements, measurable outcomes, and projects that generally met DoD's needs. Despite the processes, one Air Force project did not fully meet DoD's needs. Specifically, the Air Force project justification required the repair of a runway to be C-17 aircraft capable, but the justification did not include a requirement for wider taxiways to support C-17 aircraft. We were unable to determine why the requirements development and design processes did not result in the project fully meeting DoD's needs because of the rotation of personnel outside the area of responsibility and current personnel could not provide a reasonable explanation as to why the requirement was not included. Subsequently, Congress approved a separate project that included the necessary taxiway to fully meet DoD's needs.

In addition, the design process for 3 of the 17 projects did not result in USACE and AFCEE constructing primary facilities in accordance with facility sizes on the congressional request for authorization. This occurred because the scope of work variations permissible by 10 U.S.C. § 2853 from the congressional request for authorization are unclear and inconsistently applied. Until the Deputy Under Secretary of Defense for Installations and Environment issues guidance that clarifies the scope of work variations permissible by 10 U.S.C. § 2853 and USACE and AFCEE implements that guidance through scope verifications, DoD officials will not have assurance that MILCON projects are built consistent with congressional intent and in accordance with legislative requirements.

Projects Had Defined Requirements and Measurable Outcomes

The requirements development and design processes for the 17 projects reviewed resulted in SOWs that had defined requirements and measurable outcomes with quantifiable results. Specifically, the SOWs either directly, or by reference to other documents, included requirements that were specific, logical, complete, and could be assessed during project execution. For example, the SOW for Project 73087, "Brigade Housing and Battalion Relocation," included measurable requirements for housing 1,500 personnel. The requirements included specifications for 12 re-locatable buildings, comprised of 2 floors, with 34 units on each floor.

The SOW for Project 72605, “Troop Housing, Phase 3,” included measurable requirements for 3 barracks that will provide housing for 972 military personnel with occupancy requirements based on International Building Code¹⁰ standards.

One Project Did Not Fully Meet DoD’s Needs

Despite the requirements development and design processes, one Air Force repair project did not fully meet DoD’s needs upon Government acceptance. An AFCENT official stated that on February 2, 2010, the Deputy Assistant Secretary of the Air Force for Installations, approved the DD Form 1391 for Project ACC101101, “Repair Runway 18/36,” at Shindand Air Base, Afghanistan. Figure 2 shows progress on the repair of runway 18/36. Using O&M funds of approximately \$36.6 million, the project scope included requirements to remove and replace 75,500 square meters of existing pavement, so the runway could adequately support aircraft operating at Shindand Air Base, to include C-17 aircraft. However, the existing taxiways at Shindand Air Base, which were not included on the DD Form 1391, are 45 feet wide, whereas a C-17 aircraft requires a minimum taxiway width of 50 feet. Therefore, according to an AFCEE official, if a C-17 aircraft were to land on the existing Shindand Air Base runway, the runway would have to close until the C-17 takes off because the C-17 would be unable to taxi off the runway, impacting all other fixed-wing flying operations.

Figure 2. Progress on the Repair of Runway 18/36



Source: AFCEE Weekly Activity Report, August 15-21, 2010.

¹⁰ International Building Code is a set of structural, fire, and life safety provisions published by the International Code Council.

We contacted personnel at AFCENT to determine why a requirement for wider taxiways to accommodate C-17 aircraft was omitted from Project ACC101101. However, an AFCENT official stated the AFCENT officials that prepared the DD Form 1391 were no longer in the area of responsibility and the AFCENT official was unable to provide us with a reasonable explanation as to why Project ACC101101 did not include a requirement for wider taxiways. Therefore, we were unable to determine why the requirements development and design processes for this project did not fully meet DoD's needs.

On July 29, 2010, Congress approved a DD Form 1391 for Project WACC104602, "Strategic Airlift Apron," at Shindand Air Base. The project scope included a 75,000 square meter aircraft apron and connecting taxiways and shoulders for strategic airlift aircraft (C-5 and equivalents). The C-5 aircraft taxiway requirements exceed those required to support C-17 aircraft. The taxiway under Project WACC104602 was completed in October 2011.

Projects Not Constructed in Accordance With the Facility Sizes on the Request for Authorization

The design process for 3 of the 17 projects reviewed did not result in USACE and AFCEE officials constructing primary facilities in accordance with facility sizes on the congressional request for authorization. Specifically, USACE and AFCEE officials accepted contractor design drawings

and transferred a facility on a DD Form 1354 that had exceeded or reduced facility size requirements on the DD Form 1391. According to 10 U.S.C. § 2853, the scope of work for a MILCON project may not be

The design process for 3 of the 17 projects reviewed did not result in USACE and AFCEE officials constructing primary facilities in accordance with facility sizes on the congressional request for authorization.

reduced by more than 25 percent, unless Congress is notified in writing, and may not be increased from the justification data provided to Congress on the congressional request for authorization, the DD Form 1391. To determine increases and decreases in scope, we used the facility size on the DD Form 1391.

USACE Project

USACE officials did not ensure that the facility size for one project was in accordance with the DD Form 1391. Specifically, USACE officials accepted contractor design drawings that exceeded the facility size on the DD Form 1391 for a primary facility, an increase of 8.0 percent.

See Table 2 for the USACE project with a primary facility that was not in accordance with the facility size on the DD Form 1391.

Table 2. USACE Project With A Primary Facility Not in Accordance With the Primary Facility Size on the DD Form 1391

Facility Name on DD Form 1391	Facility Size on DD Form 1391	Facility Size in Design Drawings*	Percentage Increase
Project 77608 - Special Operations Forces Compound			
Vehicle Maintenance Shop	462 Square Meters	499 Square Meters	8.0 Percent

*Facility size is based on 65 percent design drawings.

In addition, USACE officials accepted contractor design drawings that exceeded the requirements on the DD Forms 1391 for Project LYAV103200, “Tactical Airlift Apron,” and Project LYAV093300, “Strategic Airlift Apron,” for grounding and tie-down points, a supporting facility. However, USACE officials stated that the number of grounding and tie-down points did not alter the scope of the primary facility, the airlift apron.

A USACE official stated that they would take corrective action to ensure that the vehicle maintenance shop, a primary facility under Project 77608, is within the scope of work variations permissible on the DD Form 1391. Specifically, on July 5, 2011, the official stated that they planned to direct the contractor through design review comments to ensure the facility size is in accordance with the requirement on the DD Form 1391 for Project 77608. Subsequently, on October 27, 2011, a USACE official stated that the 95 percent design drawings for the vehicle maintenance shop should be in accordance with permissible scope of work variations from the DD Form 1391. The Commanding General, USACE should ensure that the design drawings for the vehicle maintenance shop are in accordance with permissible scope of work variations from the DD Form 1391.

AFCEE Projects

AFCEE officials did not ensure that the facility sizes for two projects were in accordance with the DD Form 1391. For the first project, AFCEE officials accepted contractor design drawings that reduced the facility size on the DD Form 1391 for a primary facility, a decrease of 36.0 percent (11 percent over the 25 percent limit). For the second project, an AFCEE official transferred a primary facility on a DD Form 1354 to II Marine Expeditionary Force for acceptance¹¹ that exceeded the facility size on the DD Form 1391 by 17.9 percent.

¹¹ As of November 2011, II Marine Expeditionary Force had not accepted the facility.

See Table 3 for the AFCEE projects with primary facility sizes that were not in accordance with facility sizes on the DD Form 1391.

Table 3. AFCEE Projects With Primary Facilities Not in Accordance With Primary Facility Sizes on the DD Form 1391

Facility Name on DD Form 1391	Facility Size on DD Form 1391	Facility Size in Design Drawings or DD Form 1354	Percentage Decrease or Increase
Project CMBA093975 - Expand Munitions Storage Area			
Munitions Pads	12,400 Square Meters	7,937* Square Meters	36.0 Percent Decrease
Project 73290 - Rotary-Wing Parking and Taxiways, Phase 1			
Rotary-Wing Taxiways and Apron, Paved	65,000 Square Meters	76,656 Square Meters	17.9 Percent Increase

*Facility size is based on 100 percent design drawings.

Figure 3 shows the completed strategic apron portion of the rotary-wing parking and taxiways project.

Figure 3. Completed Strategic Apron Portion of Rotary-Wing Parking and Taxiways Project



Source: AFCEE Weekly Activity Report, June 5-11, 2011.

On November 21, 2011, the AFCEE Chief, Contingency Construction stated that the scope of work variation from the DD Form 1391 for the munitions pads, a primary

facility under Project CMBA093975, was within the overall project scope reduction permissible by 10 U.S.C. § 2853 and no congressional scope notification was required. However, a Deputy Under Secretary of Defense for Installations and Environment¹² official stated that scope, with respect to 10 U.S.C. § 2853, is the size of the primary facility on the DD Form 1391. Therefore, the Director, AFCEE should ensure that the design drawings for the munitions pads are in accordance with permissible scope of work variations from the DD Form 1391 or AFCENT officials should prepare and submit a revised DD Form 1391 to request that Congress decrease the permissible facility size for the munitions pads.

On June 24, 2011, the AFCEE Chief, Contingency Construction acknowledged an unauthorized growth in the paved rotary-wing taxiways and apron, a primary facility under Project 73290. The Chief stated that AFCEE officials have contacted the appropriate programming authority to seek guidance on how to resolve the unauthorized growth. The Commander, ARCENT should provide assurance that the unauthorized growth was resolved by submitting a DD Form 1391 to request the USD(C)/CFO, with congressional notification, to retroactively approve an increase in the permissible facility size for the paved rotary-wing taxiways and apron.

Permissible Scope of Work Variations Are Unclear

Section 2853, title 10, United States Code, allows certain scope of work variations. Specifically, 10 U.S.C. § 2853 states that the scope of work for a MILCON project may not be reduced by more than 25 percent, unless Congress is notified in writing, and may not be increased from the justification data provided to Congress on the congressional request for authorization. However, the legislation does not provide clear context on the definition of scope of work. For example, scope of work could be understood as the primary and supporting facilities listed on the DD Form 1391, the actual size of those facilities, or the project scope as a whole. We were unable to identify DoD guidance that clearly defined the term scope of work and the variations permissible by 10 U.S.C. § 2853 for a MILCON project.

To implement 10 U.S.C. § 2853, the Army issued guidance; however, the Army's guidance did not clearly define the term scope of work and the variations permissible. Army Regulation 420-1, "Army Facilities Management," June 17, 2009, reiterates 10 U.S.C. § 2853 in that scope of work increases are not permissible; however, it does not state how scope of work increases are to be determined. Army Regulation 420-1 does provide guidance on how to determine reductions in the scope of work. Specifically, reductions in dollars as well as engineering-based attributes, such as square footage, are used to determine the 25 percent scope of work reduction permissible by 10 U.S.C. § 2853. We did not identify Air Force guidance that defined the term scope of work and the variations permissible by 10 U.S.C. § 2853 for a MILCON project.

¹² The Deputy Under Secretary of Defense for Installations and Environment is responsible for establishing policy and guidance for MILCON efforts.

Permissible Scope of Work Variations Are Not Consistently Applied and Are Subject to Informal Guidance

USACE and AFCEE officials did not consistently apply scope of work variations permissible by 10 U.S.C. § 2853. Instead, USACE and AFCEE officials used their own informal guidance to determine permissible scope of work variations.

USACE Application and Guidance

When we asked why some supporting facility sizes were not in accordance with the DD Form 1391, USACE officials stated for Project LYAV103200 and Project LYAV093300, the number of grounding and tie-down points, which were considered a supporting facility on the DD Forms 1391, did not alter the scope of the primary facility, the airlift apron. While we agree that the supporting facility requirements outlined on the DD Forms 1391 at the time of approval may not have been accurate to support the primary facility requirements, 10 U.S.C. § 2853 does not specifically exclude supporting facilities from the scope of work that may not be exceeded.

Although USACE officials inconsistently applied the scope of work variations permissible by 10 U.S.C. § 2853, they did provide informal procedures for ensuring the authorized scope of work on the DD Form 1391 is not exceeded. Specifically, USACE officials provided informal procedures on how scope verifications are conducted throughout the design process, including USACE verifying that modifications to the project scope conform to the DD Form 1391. These procedures implement Army Regulation 420-1. Specifically, Army Regulation 420-1 requires a verification statement that the project scope conforms to that of the DD Form 1391. However, Army Regulation 420-1 does not state how to perform the scope verification.

AFCEE Application and Guidance

AFCEE officials we interviewed provided us with different interpretations of the scope of work variations permissible by 10 U.S.C. § 2853. Specifically, one official stated that as long as the approved cost of the project on the DD Form 1391 remained the same, then a variation in facility size from the DD Form 1391 would not result in a violation of 10 U.S.C. § 2853. Another AFCEE official stated that it is standard operating procedure to determine compliance with 10 U.S.C. § 2853 by conducting an overall project scope analysis using weighted percentages for each line item on the DD Form 1391.

Although AFCEE officials inconsistently applied the scope of work variations permissible by 10 U.S.C. § 2853, they did provide informal guidance outlining the roles and responsibilities of various AFCEE offices for conducting scope verification procedures. An AFCEE official also stated that they plan to institutionalize mandatory scope verifications throughout the design process to ensure scope integrity and eliminate discrepancies with facility sizes. Further, an AFCEE official stated that they plan to create a scope verification spreadsheet for each design review to compare the facility size in the design drawings to that on the DD Form 1391.

Guidance and Procedures Needed to Ensure Military Construction Projects Are Built Consistent With Congressional Intent

We were unable to identify DoD, Army, or Air Force guidance that clearly defined the term scope of work and the variations permissible by 10 U.S.C. § 2853 for a MILCON project. Until the Deputy Under Secretary of Defense for Installations and Environment issues guidance that clarifies the scope of work variations permissible by 10 U.S.C. § 2853 and the Army and Air Force implements that guidance, including developing formal scope verification procedures, DoD officials will not have assurance that MILCON projects are built consistent with congressional intent and in accordance with legislative requirements.

Management Comments on the Finding and Our Response

U.S. Central Command Comments

Although not required to comment, the Chief, Engineer Division, U.S. Central Command stated that Project ACC101101 is a repair project funded with O&M and does not fall within the work classification of construction. The Chief stated that repair projects have different rules and regulations that guide their execution. Specifically, the Chief stated that a repair contract cannot include construction or expansion in its scope of work, which is why a separate construction project to construct ramps and expand taxiways was programmed and executed in conjunction with the repair project. He stated this was a coordinated effort following work classification guidance to ensure a complete and usable airfield.

The Chief, Engineer Division, U.S. Central Command, stressed the impact of a change in strategy when operating in a contingency construction environment, to include the amount of work required to decrease a project's cost and scope. The Chief suggested we recommend the DoD request relief from congressional notification requirements for scope and cost decreases for contingency MILCON projects.

The Chief, Engineer Division, U.S. Central Command stated that, although briefly mentioned in the report that processes generally met DoD's needs and resulted in defined requirements, there were very few positive comments or discussion on what was found that was working and should be sustained. The Chief stated that if the general consensus is that the process works, he recommended that we highlight this fact as much as the deficiencies and recommended improvements.

Our Response

We agree that Project ACC101101 was a repair project, not a construction project, as stated in the report. However, the DD Form 1391, "FY __ Military Construction Project Data," justification stated that the runway should support a C-17 aircraft. A separate DD Form 1391 could also have been approved in conjunction with Project ACC101101

to construct ramps and expand taxiways to support C-17 aircraft. However, the DD Form 1391 that included the required taxiways was not approved until 6 months after Project ACC101101 was approved.

We agree that working in a contingency environment puts a strain on resources, both monetary and personnel. However, the work we performed under this audit does not support making a recommendation to request relief from congressional notification requirements for contingency MILCON projects when scope and cost decreases occur.

We acknowledge that the requirements development and design processes resulted in SOWs that had defined requirements and measurable outcomes with quantifiable results. We provided examples in the report as to how the requirements were defined and measurable. However, the remainder of the report focused on addressing areas for improvement.

Recommendations, Management Comments, and Our Response

A.1. We recommend that the Deputy Under Secretary of Defense for Installations and Environment issue clarifying guidance to define the scope of work outlined in section 2853, title 10, United States Code, that may not be exceeded, or reduced by 25 percent.

Deputy Under Secretary of Defense for Installations and Environment Comments

The Director, Facilities Investment and Management, responding for the Deputy Under Secretary of Defense for Installations and Environment, agreed and stated they would issue guidance to clarify scope of work in 10 U.S.C. § 2853.

Our Response

The Director, Facilities Investment and Management comments were responsive and the actions met the intent of the recommendation. No additional comments are required.

A.2. We recommend that the Commander, U.S. Army Central ensure the unauthorized growth of the paved rotary-wing taxiways and apron, a primary facility under Project 73290, was resolved by submitting a DD Form 1391 to request the Under Secretary of Defense (Comptroller)/Chief Financial Officer, with congressional notification, to retroactively approve an increase in the permissible facility size.

U.S. Army Central Comments

The Executive Director, U.S. Central Command Inspector General endorsed and forwarded comments from ARCENT. An ARCENT representative agreed and revised the DD Form 1391 for Project 73290 to reflect an increase in the permissible facility size for the paved rotary-wing taxiways and apron. The ARCENT representative stated ARCENT will submit the revised DD Form 1391 through the Assistant Chief of Staff for

Installation Management and Deputy Assistant Secretary of the Army for Installation, Environment and Housing for the USD(C)/CFO for processing. Further, the representative stated ARCENT will establish a process to ensure unauthorized growth of future projects is prevented through oversight and coordination with the appropriate agency. Finally, the ARCENT representative stated ARCENT will coordinate with other Army agencies to clarify 10 U.S.C. § 2853 guidance.

Our Response

ARCENT comments were responsive and the actions taken and planned met the intent of the recommendation. We commend ARCENT's intention to establish a process to ensure unauthorized growth of future projects are prevented and clarify guidance to ensure Department of the Army agencies comply with 10 U.S.C. § 2853. These actions will help ensure MILCON projects are built consistent with congressional intent and in accordance with legislative requirements. No additional comments are required.

A.3. We recommend that the Commander, U.S. Air Forces Central and the Director, Air Force Center for Engineering and the Environment ensure the design drawings for the munitions pads, a primary facility under Project CMBA093975, are in accordance with the permissible scope of work variations from the DD Form 1391. If it is not feasible to revise the design drawings, prepare and submit a revised DD Form 1391 to request that Congress decrease the permissible square meters for the munitions pads under Project CMBA093975.

U.S. Air Forces Central Comments

The Executive Director, U.S. Central Command Inspector General endorsed and forwarded comments from AFCENT. An AFCENT representative agreed and stated AFCENT will submit a request to the U.S. Air Force Air Combat Command, Installations and Missions Support Directorate to complete the appropriate congressional scope notification.

Our Response

AFCENT comments were responsive and the actions meet the intent of the recommendation. No additional comments are required.

Management Comments Required

We did not receive comments from the Director, AFCEE before we issued this final report. We request that AFCEE provide comments in response to the final report.

A.4. We recommend that the Commanding General, U.S. Army Corps of Engineers:

a. Once Recommendation A.1. is implemented, develop and implement procedures to verify that the U.S. Army Corps of Engineers is performing scope verifications to ensure compliance with section 2853, title 10, United States Code.

b. Ensure the design drawings for the vehicle maintenance shop, a primary facility under Project 77608, are in accordance with the permissible scope of work variations from the DD Form 1391.

U.S. Army Corps of Engineers Comments

The Acting Chief, Transatlantic Division Regional Integration Team, Directorate of Military Programs, USACE agreed to develop and implement procedures to verify that USACE is performing scope verifications to ensure compliance with 10 U.S.C. § 2853. The Acting Chief stated that, within 90 days after guidance is issued by the Deputy Under Secretary of Defense for Installations and Environment, USACE will implement procedures to check that scope verifications are being conducted for MILCON projects to ensure compliance with congressional intent and legislative requirements.

The Acting Chief also agreed to ensure the design drawings for the vehicle maintenance shop under Project 77608 are in accordance with the permissible scope of work variations from the DD Form 1391. The Acting Chief stated that USACE is working with the contractor to correct the design and ensure it is in accordance with the DD Form 1391. He expected the revision to be completed by March 31, 2012.

Our Response

USACE comments were responsive and the actions meet the intent of the recommendation. No additional comments are required.

A.5. We recommend that the Director, Air Force Center for Engineering and the Environment once Recommendation A.1. is implemented, develop and implement procedures to verify that the Air Force Center for Engineering and the Environment is performing scope verifications to ensure compliance with section 2853, title 10, United States Code.

Management Comments Required

We did not receive comments from the Director, AFCEE before we issued this final report. We request that AFCEE provide comments in response to the final report.

Finding B. Air Force Center for Engineering and the Environment Improperly Authorized Construction and Preparation Activities at Camp Phoenix and New Kabul Compound

During the requirements development and design processes, AFCEE officials improperly authorized the construction of facilities under Project 68628, “Camp Phoenix North Expansion.”¹³ Specifically, AFCEE officials improperly authorized the construction of a gymnasium and auditorium at North Camp Phoenix and facilities at New Kabul Compound, Afghanistan.

This occurred because AFCEE officials did not conduct scope verifications and perform proper contract administration. Specifically, AFCEE officials did not conduct scope verifications to ensure that facilities were constructed within the authorized facility sizes. In addition, the AFCEE contracting officer did not maintain a complete and accurate copy of the contract file.

As a result, AFCEE officials improperly authorized the expenditure of at least \$3.3 million for the construction of a gymnasium and auditorium at North Camp Phoenix and for construction preparation activities at New Kabul Compound.

Background on Camp Phoenix North Expansion Project

On February 2, 2007, the USD(C)/CFO approved a DD Form 1391 for the construction of administrative facilities; barracks; a dining facility; a base exchange; and a morale, welfare, and recreation facility.¹⁴ Based on the DD Form 1391, AFCEE awarded cost-plus-fixed-fee contract FA8903-06-D-8510, task order 0007, on September 11, 2007, for \$17.6 million, using O&M, Army funds under Contingency Construction Authority. On July 2, 2008, the USD(C)/CFO approved a revised DD Form 1391 that reduced the authorized facility size of the administrative facilities and barracks and removed some of the primary facility requirements, including the dining facility; base exchange; and morale, welfare, and recreation facility. On October 16, 2009, the U.S. Army Garrison engineer accepted the administrative facility on a DD Form 1354.

¹³ The Commission on Wartime Contracting in Iraq and Afghanistan report to Congress, “Transforming Wartime Contracting Controlling Cost, Reducing Risks,” August 2011, referenced this project when reporting on the unreliability of some Afghan subcontractors.

¹⁴ The original DD Form 1391 approved the construction of 14 primary facilities, including administrative facilities; barracks; a dining facility; a base exchange; and a morale, welfare, and recreation facility, among other facilities.

Figure 4 shows the administrative facility constructed, the Joint Task Force 435 Headquarters Building. On July 13, 2011, the Director of Public Works accepted the barracks on a DD Form 1354.

Figure 4. Joint Task Force 435 Headquarters Building



Source: AFCEE Weekly Activity Report, July 25-31, 2010.

Construction of Facilities for One Project Not Authorized

During the requirements development and design processes, AFCEE officials improperly authorized the construction of facilities under Project 68628, “Camp Phoenix North Expansion.” Specifically, AFCEE officials improperly authorized the construction of a gymnasium and auditorium at North Camp Phoenix and facilities at New Kabul Compound.

Gymnasium and Auditorium

During the requirements development and design processes, AFCEE officials improperly included a requirement in the task order SOW to construct a 743-square-meter gymnasium not authorized on the DD Form 1391 or included in the task order request for proposal. Section 2853, title 10, United States Code, states that the scope of work for a MILCON project may not be increased from the justification data provided to Congress on the congressional request for authorization, the DD Form 1391.

In addition, during the design process, AFCEE officials improperly accepted design drawings that included another requirement, the construction of a 1,079-square-meter auditorium, not authorized on the DD Form 1391 and not within the terms and conditions of the contract. Specifically, an AFCEE official did not include the auditorium in the task order request for proposal or the SOW. The Federal Acquisition Regulation, subpart 1.602.2, “Responsibilities,” states that contracting officers are responsible for ensuring compliance with terms of the contract. On September 24, 2009, the U.S. Army Garrison engineer accepted both the gymnasium and the auditorium on a DD Form 1354.

See Table 4 for a listing of documentation that AFCEE used to authorize and accept those facilities for the Camp Phoenix North Expansion MILCON project.

**Table 4. Camp Phoenix North Expansion Project
Facilities Authorized and Accepted**

Facility Name	Revised DD Form 1391	Request for Proposal	SOW	Design Drawings*	DD Form 1354
Gymnasium	No	No	Yes	No	Yes
Auditorium	No	No	No	Yes	Yes

*Based on 100 percent design drawings.

When asked why AFCEE officials paid approximately \$2.9 million for facilities not authorized on the DD Form 1391 or included in the task order request for proposal, an AFCEE official stated that the gymnasium and the auditorium were actually constructed as transient barracks space and used as such upon completion in September 2009. Therefore, the AFCEE official concluded that the two facilities constructed were within the scope of the DD Form 1391 and used for their approved use after construction. After 18 months of use as transient barracks, an AFCEE official stated one facility was converted for use as a gymnasium in March 2011. The other facility is still being used as transient barracks as of November 2011. On September 13, 2011, an AFCEE official provided a revised DD Form 1354 that re-categorized and accepted both facilities as barracks.

While AFCEE officials' action to re-categorize these facilities as barracks is within the scope of the primary facilities listed on the DD Form 1391, the action resulted in the barracks exceeding the facility size authorized on the DD Form 1391. The Commander, ARCENT should prepare and submit a DD Form 1391 to request the USD(C)/CFO, with congressional notification, to retroactively approve the construction of the gymnasium and auditorium or to increase the permissible facility size for the barracks.

Figure 5 shows the nontransient barracks completed at North Camp Phoenix.

Figure 5. Nontransient Barracks



Source: AFCEE Weekly Activity Report, May 22-28, 2011.

New Kabul Compound

During the design process, AFCEE officials improperly awarded a modification to the contract using funds designated for Project 68628 to construct facilities outside the scope of the original task order and not authorized on the DD Form 1391. On September 29, 2007, the contracting officer improperly approved an approximately \$5.3 million modification for the construction of facilities at New Kabul Compound, a separate location from North Camp Phoenix. However, Federal Acquisition Regulation, subpart 52.243-2, “Changes-Cost-Reimbursement,” which the contracting officer used to execute the modification, only allows the contracting officer to make changes within the general scope of the contract.

On April 11, 2008, upon AFCEE’s discovery of the improper approval, the contracting officer ordered the contractor to stop work. Although the improper authorization of construction at a separate location was identified, an AFCEE official stated they expended about \$391,041 of the approximately \$5.3 million obligated for the New Kabul Compound. An AFCEE official stated that expenditures for the New Kabul Compound included construction preparation activities, such as mobilization, site security, and design efforts. The Director, AFCEE should verify that the expenditure of about \$391,041 in funds designated for the Camp Phoenix North Expansion project is redesignated for the New Kabul Compound.

Scope Verifications Not Performed

AFCEE officials did not perform scope verifications to ensure the primary facilities in the requirements documents were in accordance with those listed on the DD Form 1391. Had AFCEE officials conducted scope verifications, they would have identified that the revised DD Form 1391 did not include requirements for the gymnasium, auditorium, or the New Kabul Compound. Because we recommended that AFCEE develop procedures to verify that scope verifications are performed in Finding A, we focused the recommendations on identifying personnel accountable for not conducting proper contract administration and improperly expending funds.

Contract Administration Needed Improvement

AFCEE officials did not maintain a complete and accurate copy of the contract file, including an updated SOW that reflected accurate project requirements. Instead, the June 30, 2010, SOW still included requirements for a dining facility; a base exchange; and a morale, welfare, and recreation facility, which were removed from the July 2, 2008, revised DD Form 1391 and never built. The Defense Federal Acquisition Regulation, subpart 204.8, "Contract Files," states that official contract files shall consist of only original, authenticated, or conformed copies of contractual instruments, as well as signed or official record copies of correspondence, memoranda, and other documents. A conformed copy of a contract is one that is complete and accurate, including the date signed and the names and titles of the parties who signed it. Further, Federal Acquisition Regulation, subpart 4.8, "Government Contract Files," states that these files should provide a complete background for decisionmaking and actions taken, as well as, to furnish essential facts in case of litigation or congressional review. The Director, AFCEE should implement procedures to ensure that contract modifications have complete justifications and related documents are included in the contract file.

Although the improper authorization of the New Kabul Compound was identified and the contracting officer ordered the contractor to stop work, AFCEE officials did not remove the requirement to build the New Kabul Compound from the SOW. In June 2011 AFCEE, Chief, Contingency Construction, stated AFCEE would officially de-scope the New Kabul Compound work from the contract, despite the fact that the contract had been modified several times subsequent to the error being identified in April 2008. The Director, AFCEE should identify the officials responsible for not performing proper contract administration, perform a review of the contract file to ensure it is complete and accurate, and initiate administrative action, as deemed appropriate.

Expenditure of Funds Not Authorized

AFCEE officials improperly expended approximately \$3.3 million in O&M, Army funds under Contingency Construction Authority for Project 68628, “Camp Phoenix North Expansion.” Specifically, AFCEE officials improperly expended approximately:

- \$2.9 million to construct a gymnasium and an auditorium at North Camp Phoenix; and
- \$0.4 million to conduct construction preparation activities at the New Kabul Compound.

Because a U.S. Army official ultimately accepted the construction of the gymnasium and auditorium on a DD Form 1354 and the U.S. Army received a benefit from the construction, we did not recommend that AFCEE officials recover the approximately \$2.9 million from the contractor. However, the use of funds for the unauthorized construction emphasizes the need for improvement in contract administration.

Management Actions Taken and Planned

In November 2011, the AFCEE Chief, Contingency Construction stated that AFCEE officials have taken action to ensure the contract file is complete and accurate. However, although the Chief stated AFCEE officials have taken action to ensure the contract file is complete and accurate, AFCEE officials should provide supporting documentation. In addition, the AFCEE Chief, Contingency Construction stated that they plan to put procedures in place to ensure contract modifications have complete justifications and related documents are included in the contract file.

Management Comments on the Finding and Our Response

U.S. Army Central Comments

The Executive Director, U.S. Central Command Inspector General endorsed and forwarded comments from ARCENT. An ARCENT representative reviewed the document used during the audit of Project 68628, “Camp Phoenix North Expansion,” and determined that DD Form 1391 used was not the official version. An ARCENT representative stated the official version of the DD Form 1391 is dated February 2, 2007, and allows for the increased permissible square meters for the barracks as a primary facility.

Our Response

During the audit, AFCEE officials stated that the July 2, 2008, version of the DD Form 1391 for Project 68628 was the most current version. Whether or not the February 2, 2007, version of the DD Form 1391 for Project 68628 is the official version, it does not change our determination that AFCEE officials improperly authorized the expenditure of approximately \$0.4 million for construction preparation activities at New Kabul Compound.

However, when we used the February 2, 2007, version of the DD Form 1391 to recalculate whether primary facilities were accepted in accordance with scope of work variations permissible by 10 U.S.C. § 2853, we determined that U.S. Army officials accepted additional primary facilities not reported in Finding A that were not in accordance with facility sizes on the congressional request for authorization. Specifically, for the barracks, the facility size on the DD Form 1391 was 12,263 square meters and the facility size of barracks on the DD Form 1354 was 8,698 square meters, a decrease of 29.1 percent (4.1 percent over the 25 percent limit). For the administrative facilities, the facility size on the DD Form 1391 was 8,534 square meters and the facility size of the administrative facility on the DD Form 1354 was 2,963 square meters, a decrease of 65.3 percent (40.3 percent over the 25 percent limit). Therefore, if the Army considers the February 2, 2007, version of the DD Form 1391 to be the official version, the Commander, ARCENT should respond to recommendation B.1 that he will complete the appropriate congressional notifications, rather than request that the Under Secretary of Defense (Comptroller)/Chief Financial Officer increase the permissible square meters for the barracks.

Recommendations, Management Comments, and Our Response

B.1. We recommend that the Commander, U.S. Army Central prepare and submit a DD Form 1391 to request that the Under Secretary of Defense (Comptroller)/Chief Financial Officer retroactively approve the construction of the gymnasium and auditorium or increase the permissible square meters for the barracks, a primary facility under Project 68628.

U.S. Army Central Comments

The Executive Director, U.S. Central Command Inspector General endorsed and forwarded comments from ARCENT. An ARCENT representative agreed and stated they will submit a revised DD Form 1391 through the Assistant Chief of Staff for Installation Management and Deputy Assistant Secretary of the Army for Installation, Environment and Housing for the USD(C)/CFO for processing.

Our Response

ARCENT comments were partially responsive. While an ARCENT official agreed, it was unclear what actions ARCENT plans to take based on their comments to the finding. Specifically, ARCENT did not agree with the July 2, 2008, version of the DD Form 1391 used to complete our analysis of Project 68628. We request additional comments in response to the final report to clarify what actions ARCENT plans to take to ensure all primary facilities accepted for Project 68628 are in accordance with scope of work variations permissible by 10 U.S.C. § 2853, or complete the appropriate congressional notifications.

B.2. We recommend that the Director, Air Force Center for Engineering and the Environment:

a. Identify the officials responsible for not performing proper contract administration, perform a review of the contract file to ensure it is complete and accurate, and initiate administrative action, as deemed appropriate.

b. Implement procedures to ensure contract modifications have complete justifications and related documents are included in the contract file.

c. Verify that the expenditure of about \$391,041 in funds designated for the Camp Phoenix North Expansion project is redesignated for the New Kabul Compound.

Management Comments Required

We did not receive comments from the Director, AFCEE before we issued this final report. We request that AFCEE provide comments in response to the final report.

Appendix A. Scope and Methodology

We conducted this performance audit from November 2010 through December 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our objective was to evaluate the requirements development process for MILCON projects in Afghanistan. We determined whether the requirements development and design processes resulted in SOWs that had defined requirements, had measurable outcomes, and met DoD's needs. To accomplish this objective, we reviewed and compared documents dated from January 2006 through November 2011 related to MILCON project requirements, including the DD Form 1391, SOW, design drawings, request for proposal, contract, contract modifications, work change requests, and DD Form 1354.

We contacted staff and conducted interviews, as appropriate, with officials from U.S. Central Command, U.S. Forces-Afghanistan, Combined Security Transition Command-Afghanistan, USACE, and AFCEE.

We conducted site visits to Bagram Airfield, Camp Bastion, Camp Leatherneck, Camp Marmal, Camp Phoenix, and Kandahar Airfield; obtained source documentation; and observed and examined project status.

We reviewed public laws and DoD, Army, and Air Force regulations, instructions, and informal guidance. Specifically, we reviewed section 2853, title 10, United States Code; Federal Acquisition Regulation; Defense Federal Acquisition Regulation Supplement; Army Regulation 420-1, "Army Facilities Management," June 17, 2009; and Air Force Instruction 32-1021, "Planning and Programming Military Construction (MILCON) Projects," June 14, 2010.

Contracts Reviewed

We nonstatistically selected 10 contracts that were provided by USACE and AFCEE for projects in Afghanistan, totaling approximately \$456 million. Specifically, we selected five USACE and five AFCEE contracts, delivery orders, or task orders that encompassed 17 projects. All of the projects selected were executed under the design-build strategy.

USACE Contracts

In December 2010, USACE officials provided a list of 159 projects in Afghanistan for FYs 2009 and 2010. We nonstatistically selected five contracts based on project type, cost, and location. The five contracts selected encompassed eight projects. We included all of the projects under the contracts selected in the scope of the audit.

See Table A-1 for a list of the contracts selected for USACE.

Table A-1. U.S. Army Corps of Engineers Contracts Reviewed

Contract Number, Effective Date, and Contract Cost¹	Project Location in Afghanistan	Project Number and Name	Primary Funding Source²
W912ER-09-C-0011 4-10-2009 \$42.6 Million	Kandahar Airfield	73087 - Brigade Housing and Battalion Relocation	O&M, Army Under CCA
		73089 - South Park Infrastructure, Phase 1	O&M, Army Under CCA
W912ER-09-C-0037 9-15-2009 \$12.2 Million	Kandahar Airfield	73395 - Command and Control Headquarters Facility	Military Construction, Army
W5J9JE-10-D-0006, Delivery Order 0002 9-5-2010 \$11.1 Million	Bagram Airfield	72605 - Troop Housing, Phase 3	Military Construction, Army
W912ER-10-C-0034 6-4-2010 \$31.9 Million	Kandahar Airfield	LYAV093300 - Strategic Airlift Apron	Military Construction, Air Force
		LYAV103200 - Tactical Airlift Apron	Military Construction, Air Force
		KARD104320 - Special Operations Forces Aviation Ramp Extension	Military Construction, Air Force
W912ER-10-C-0054 9-24-2010 \$29.5 Million	Camp Marmal	77608 - Special Operations Forces Compound	O&M, Army Under CCA

¹ The contract cost includes the cost of the original contract and all modifications to that contract available on the Electronic Document Access Web site as of August 23, 2011.

² The contracts selected were primarily funded with Military Construction funds or O&M funds under Contingency Construction Authority (CCA).

AFCEE Contracts

In December 2010, AFCEE officials provided a list of 32 projects in Afghanistan for FYs 2009 and 2010. We nonstatistically selected five contracts based on project type, cost, and location. The five contracts selected encompassed nine projects. We included all of the projects under the contract selected in the scope of the audit. Although Project ACC101101 was a repair project and not a construction project, the requirements for Project ACC101101 were approved on a DD Form 1391, "FY __ Military Construction Project Data," and therefore, we included Project ACC101101 in the scope of the audit.

See Table A-2 for a list of the contracts selected for AFCEE.

Table A-2. Air Force Center for Engineering and the Environment Contracts Reviewed

Contract Number, Effective Date, and Contract Cost¹	Project Location in Afghanistan	Project Number and Name	Primary Funding Source²
FA8903-06-D-8505, Task Order 0016 4-30-2009 \$185.1 Million	Camp Bastion	CMBA093940 - Strategic Airlift Apron	O&M, Air Force Under CCA
		CMBA093950 - Runway	O&M, Air Force Under CCA
		73290 - Rotary-Wing Parking and Taxiways, Phase 1	O&M, Army Under CCA
FA8903-06-D-8505, Task Order 0023 6-2-2010 \$61.5 Million	Camp Bastion	CMBA093975 - Expand Munitions Storage Area	Military Construction, Air Force
		77159 - Ammunition Storage Point	O&M, Army Under CCA
FA8903-06-D-8506, Task Order 0004 3-26-2010 \$36.6 Million	Shindand Air Base	ACC101101 - Repair Runway 18/36	O&M, Air Force
FA8903-06-D-8510, Task Order 0007 9-11-2007 \$31.8 Million	Camp Phoenix	68628 - Camp Phoenix North Expansion	O&M, Army Under CCA
FA8903-06-D-8511, Task Order 0056 2-26-2010 \$13.9 Million	Camp Bastion	73222 - Brigade Headquarters Facility	Military Construction, Army
	Camp Leatherneck	73210 - Brigade Headquarters Facility	Military Construction, Army

¹ The contract cost includes the cost of the original contract and all modifications to that contract available on the Electronic Document Access Web site as of August 23, 2011.

² The contracts selected were primarily funded with Military Construction funds or O&M funds Contingency Construction Authority (CCA).

Use of Computer-Processed Data

We relied on computer-processed data from the Electronic Document Access Web site. Electronic Document Access is a Web-based system that provides online access of acquisition-related documents. We used the system to obtain contractual documents for the 10 contracts selected for this audit. We compared those electronically-accessed documents with statements and documents provided by USACE and AFCEE officials. From these procedures, we are confident that the Electronic Document Access Web site was sufficiently reliable for the purpose of acquiring contract documents for our analysis of the MILCON requirements development and design processes.

We also relied on computer-processed data from the U.S. Army Programming Administration and Execution System and the U.S. Air Force Automated Civil Engineer System-Project Management Module. The Programming Administration and Execution System is a database that allows for the development and submission of installation projects fulfilling requirements for U.S. Army MILCON planning. The Automated Civil Engineer System-Project Management Module is the official U.S. Air Force-wide database management system used to create, store, retrieve, and update MILCON project records.

USACE and AFCEE officials used these systems to retrieve the DD Forms 1391 for some of the 17 projects selected for this audit. We compared some of the electronically-accessed documents with documents provided by USACE and AFCEE officials. From these procedures, we are confident that the Programming Administration and Execution System and Automated Civil Engineer System-Project Management Module were sufficiently reliable for the purpose of acquiring contract documents for our analysis of the MILCON requirements development process.

Prior Coverage

During the last 5 years, the DoD Inspector General (DoD IG) issued two reports and the Army Audit Agency issued two reports, discussing MILCON requirements. Unrestricted DoD IG reports can be accessed at <http://www.dodig.mil/audit/reports>. Unrestricted Army reports can be accessed from .mil and gao.gov domains over the Internet at <https://www.aaa.army.mil/>.

DoD IG

DoD IG Report No. D-2010-059, “Contingency Contracting: A Framework for Reform,” May 14, 2010

DoD IG Report No. D-2009-022, “Base Realignment and Closure 2005 Military Construction Project to Consolidate and Relocate Service Media Activities to Fort Meade, Maryland,” November 14, 2008

Army

Army Audit Agency Report No. A-2009-0030-ALE, “Military Construction Requirements: U.S. Army Garrison Vicenza,” February 2, 2009

Army Audit Agency Report No. A-2006-0076-ALE, "Military Construction Requirements in Europe," March 17, 2006

Appendix B. DD Form 1391, "FY __ Military Construction Project Data"

1. COMPONENT		FY ____ MILITARY CONSTRUCTION PROJECT DATA		2. DATE	
3. INSTALLATION AND LOCATION			4. PROJECT TITLE		
5. PROGRAM ELEMENT	6. CATEGORY CODE	7. PROJECT NUMBER	8. PROJECT COST (\$000)		
9. COST ESTIMATES					
ITEM		U/M	QUANTITY	UNIT COST	COST (\$000)
PRIMARY FACILITY					
SUPPORTING FACILITIES					
ESTIMATED CONTRACT COST					
CONTINGENCY					
SUBTOTAL					
SUPERVISION, INSPECTION & OVERHEAD					
DESIGN/BUILD - DESIGN COST					
TOTAL REQUEST					
TOTAL REQUEST (ROUNDED)					
INSTALLED EQT-OTHER APPROPRIATIONS					
10. Description of Proposed Construction					

DD FORM 1391

1. COMPONENT	FY ____ MILITARY CONSTRUCTION PROJECT DATA	2. DATE
3. INSTALLATION AND LOCATION		
4. PROJECT TITLE		5. PROJECT NUMBER
9. COST ESTIMATES (CONTINUED)		
11. REQ: ADQT: SUBSTD:		
PROJECT:		
REQUIREMENT:		
CURRENT SITUATION:		
IMPACT IF NOT PROVIDED:		
ADDITIONAL:		
ESTIMATED CONSTRUCTION START:		
ESTIMATED MIDPOINT OF CONSTRUCTION:		
ESTIMATED CONSTRUCTION COMPLETION:		

Glossary

Contingency Construction Authority. Authority granted in section 2808 of the National Defense Authorization Act for Fiscal Year 2004 to use a specified amount of Operations and Maintenance funds for construction projects outside the United States in FY 2004. Each year, the National Defense Authorization Act has extended this Contingency Construction Authority for use in the current fiscal year. In order for a project to be funded under Contingency Construction Authority, the project must meet the following the criteria in section 2808:

- the construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of Armed Forces in support of a declaration of war or national emergency or for a contingency operation;
- the construction is not carried out at a military installation where the United States is reasonably expected to have a long-term presence, unless the installation is located in Afghanistan;
- the United States has no intention of using the construction after the operational requirements have been met;
- the level of construction is the minimum necessary to meet the temporary operational requirements; and
- the project is in the U.S. Central Command area of responsibility or the area of responsibility and area of interest of the Combined Joint Task Force-Horn of Africa.

If the project meets all of the above criteria, the Under Secretary of Defense (Comptroller)/Chief Financial Officer may approve the project, with congressional notification.

Facility. A building, structure, or other improvement to real property.

Operations and Maintenance. Funds provided by Congress and typically used for expenses, such as civilian salaries, travel, minor construction projects, operating military forces, training and education, depot maintenance, stock funds, and base operations support. When used to fund unspecified minor military construction projects, the project may not exceed \$750,000 unless the project is intended to correct a deficiency that threatens life, health, or safety. In that case, the authority to use operations and maintenance funds for unspecified minor military construction projects is increased to \$1.5 million.

Specified Military Construction. Funds provided by Congress in the Military Construction Appropriations Act for specified military construction projects. Military construction projects with a cost expected to exceed \$2 million are normally “specified.”

Unspecified Minor Military Construction. Funds provided by Congress in the Military Construction Appropriations Act for unspecified minor military construction projects. Unspecified minor military construction projects are normally defined as those projects

that are expected to cost \$2 million or less. However, an unspecified minor military construction project may have an approved cost up to \$3 million if it is to correct a deficiency that threatens life, health, or safety. Before beginning an unspecified minor military construction project with an approved cost equal to or greater than \$750,000, the Service Secretary must notify the appropriate congressional committees, and wait 21 days.

Deputy Under Secretary of Defense for Installations and Environment Comments



ACQUISITION,
TECHNOLOGY
AND LOGISTICS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

JAN 10 2012

MEMORANDUM FOR PROGRAM DIRECTOR, JOINT AND SOUTHWEST ASIA
OPERATIONS, DoDIG

THROUGH: DIRECTOR, ACQUISITION RESOURCES AND ANALYSIS *7/8 11/12*

SUBJECT: Response to DoDIG Draft Report on Guidance Needed to Prevent Military
Construction Projects From Exceeding the Approved Scope of Work (Project No.
D2011-D000JB-0068.000)

As requested, I am providing the response to the recommendation for the Deputy Under Secretary of Defense for Installations and Environment contained in the subject draft report.

Recommendation A.1: We recommend that the Deputy Under Secretary of Defense for Installations and Environment issue clarifying guidance to define the scope of work outlined in section 2853, title 10, United States Code, that may not be exceeded, or reduced by 25 percent.

Response: Concur. The Deputy Under Secretary of Defense will issue guidance to clarify the meaning of "scope of work" in the context of section 2853.

Please contact [REDACTED] if additional information is required.

Michael McAndrew

Director
Facilities Investment and Management
Office of the Deputy Under Secretary of Defense
(Installations and Environment)

U.S. Central Command Comments



UNITED STATES CENTRAL COMMAND
OFFICE OF THE INSPECTOR GENERAL
7115 SOUTH BOUNDARY BOULEVARD
MACDILL AIR FORCE BASE, FLORIDA 33621-5101

11 January 2012

MEMORANDUM FOR U.S. DEPARTMENT OF DEFENSE INSPECTOR GENERAL
AUDITOR, JOINT AND SOUTHWEST ASIA OPERATIONS

SUBJECT: DODIG Draft Report No. D2011-D000JB-0068.000, "Guidance Needed to
Prevent Military Construction Projects from Exceeding the Approved Scope of Work"

1. The USCENTCOM, AFCENT, and ARCENT responses to the DODIG recommendations in Draft Report D2011-D000JB-0068.000 are consolidated in this signed memorandum.
2. USCENTCOM is forwarding this official response and signed memorandum to comply with your request.

Consolidated USCENTCOM RESPONSE: USCENTCOM concurs with
comments on the three recommendations.

3. POC is [REDACTED]


Duane T. Rackley
GS-15, DAFC
Executive Director Inspector General



REPLY TO
ATTENTION OF:

DEPARTMENT OF THE ARMY
THIRD ARMY
UNITED STATES ARMY CENTRAL
1 GABRESKI DRIVE
SHAW AIR FORCE BASE, SC 29153

ACEN-OME

04 January 2012

MEMORANDUM FOR RECORD

SUBJECT: DODIG Draft Report "Guidance Needed to Prevent Military Construction Projects from Exceeding the Approved Scope of Work".

1. Reference:

- a. DODIG Draft Report, DODIG Project No. D2011-D000JB-0068.000, Dated 19 Dec 11.

2. USARCENT concurs with findings A.2 (page 14, DODIG Draft Report) and findings B.1 (page 21, DODIG Draft Report) with one caveat stated in the DODIG report. It is USARCENT's intent to establish a process to ensure unauthorized growth of future projects are prevented through oversight and coordination with the appropriate agency. Furthermore, USARCENT has corrected the paved rotary-wing taxiways and apron primary facility under PN 73290, by retroactively submitting a marked up DD Form 1391. USARCENT reviewed the document used during the audit of PN68628 Camp Phoenix North Expansion and determined that DD Form 1391 was not the official version. The official version dated 02 February 2007 allows for the increased permissible square meters for the barracks as a primary facility. Both actions will be submitted through Assistant Chief of Staff for Installation Management (ACSIM) and Deputy assistant Secretary of the Army for Installation, Environment and Housing (DASA) for the Under Secretary of Defense (Comptroller)/Chief Financial Officer for processing.

3. USARCENT will coordinate with HQDA agencies to clarify guidance for 10 USC 2853, to define "scope of work" as cost, square footage, or both, and application to "scope of work" that may not be exceeded, or reduced by 25 percent.

4. The USARCENT G37 Engineer point of contact is [REDACTED]

Encls

1. Correct DD Form 1391, dtd. 02 Feb07
2. Incorrect DD Form 1391, dtd. 02 Jul08
3. DD Form 1391, Mark up 73290

DANE TKACS
COL, GS
USARCENT G37

Page 15
Page 24

ENCL 1

1. COMPONENT ARMY		FY 2007 MILITARY CONSTRUCTION PROJECT DATA		2. DATE 04 OCT 2007 02 FEB 2007	
3. INSTALLATION AND LOCATION Kabul Afghanistan			4. PROJECT TITLE Camp Phoenix North Expansion		
5. PROGRAM ELEMENT	6. CATEGORY CODE 721 11	7. PROJECT NUMBER 68628	8. PROJECT COST (\$000) 24,000		
9. COST ESTIMATES					
43.2100 AFGHANI/US\$		ITEM	U/M	QUANTITY	COST (\$000)
PRIMARY FACILITY					20,847
Administrative Facilities (JOC/Conf. Ctr.)		m2		8,534	(9,928)
Barracks		m2		12,263	(4,043)
Dining Facility		m2		743.22	(770)
MWR Facilities		LS		--	(1,128)
AAFES Expansion		m2		557.42	(361)
Total from Continuation page(s)					(4,617)
SUPPORTING FACILITIES					2,151
Electric Service		LS		--	(416)
Water, Sewer, Gas		LS		--	(602)
Paving, Walks, Curbs And Gutters		LS		--	(345)
Site Imp(318) Demo()		LS		--	(318)
Antiterrorism Measures		LS		--	(470)
ESTIMATED CONTRACT COST					22,998
CONTINGENCY (0.00%)					
SUBTOTAL					22,998
SUPERVISION, INSPECTION & OVERHEAD (3.90%)					897
DESIGN/BUILD - DESIGN COST (0.0000%)					0
TOTAL REQUEST					23,895
TOTAL REQUEST (ROUNDED)					24,000
INSTALLED EQT-OTHER APPROPRIATIONS					(0)
COE SEC CHGS (0)/NON-COE SEC CHGS (0)					0
10. Description of Proposed Construction Construct housing and support facilities for the Combined Security Transition Command - Afghanistan (CSTC-A). Facilities to support 1000 additional personnel will include barracks, administrative buildings, dining facility, potable water storage and wastewater treatment, AAFES and MWR facilities (athletic field, main exchange, community activities center), one (1) 24,000 SF K-Span warehouse, expansion to the Ammunition Supply Point and site infrastructure. Support facilities include parking, force protection bunkers, and utilities infrastructure.					
11. REQ: 1,000 PN ADQT: NONE SUBSTD: 1,000 PN PROJECT: Construct Camp Phoenix North Expansion to support 1,000 PN. (Current Mission)					

ENC 1

1. COMPONENT		2. DATE	
ARMY		FY 2007 MILITARY CONSTRUCTION PROJECT DATA	
		04 OCT 2007 02 FEB 2007	
3. INSTALLATION AND LOCATION			
Kabul Afghanistan			
4. PROJECT TITLE		5. PROJECT NUMBER	
Camp Phoenix North Expansion		68628	
9. COST ESTIMATES (CONTINUED)			
Item	U/M	Qty	Unit Cost (\$000)
PRIMARY FACILITY (CONTINUED)			4,617
Sanitary Sewer	m	609.60	793.96 (484)
Water Treatment and Storage (GPD)	LS	--	-- (8)
Storm Sewer	LS	--	-- (694)
Telecommunications and Data Lines	LS	--	-- (361)
A/C Surface	LS	--	-- (47)
Power Plant, Oil-Fired (2.2MW)	LS	--	-- (2,905)
Fuel Storage Tank (5000 Gal)	EA	1	118,000 (118)
<p>REQUIREMENT:</p> <p>Construct Phoenix Camp expansion for 1,000 personnel including administrative, living, and service support. This absolutely critical project is one of two required to close 25 safe houses outside the Camp Eggers base perimeter. It is required to relocate personnel to camps with more appropriate force protection. This project is required to house and support an additional 1,000 personnel at Camp Phoenix to accommodate the move of the Combined Security Transition Command - Afghanistan (CSTC-A) personnel to the base and an increase of Task Force Phoenix personnel to support their mission.</p> <p>CURRENT SITUATION:</p> <p>Camp Phoenix is currently at maximum capacity and cannot accommodate additional personnel. The current population of Camp Phoenix is 2173 personnel. This number includes all military and civilian personnel and transients. The base leases approximately 14 acres to the north of the existing base to be used for the expansion in support of the critical mission.</p> <p>IMPACT IF NOT PROVIDED:</p> <p>If this project is not funded, closure of Camp Eggers will be delayed and personnel will continue to be housed in a high threat environment. Afghan National Security Forces combat readiness and training will be severely impacted if the base does not expand to accommodate living, administrative, and support facilities for the additional 1,000 personnel on Camp Phoenix. Without these facilities, our forces will not be able to meet their mission of training the Afghan National Security Forces. Closing Camp Eggers will result in an annual operational savings of \$12.9M.</p> <p>ADDITIONAL:</p> <p>This request is in accordance with the FY 2004 National Defense Authorization Act, Section 2808, as Amended.</p>			

DD FORM 1391C
1 DEC 76

PREVIOUS EDITIONS MAY BE USED INTERNALLY
UNTIL EXHAUSTED

PAGE NO. 2

ENCL 1

1. COMPONENT	FY 2007 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
ARMY		04 OCT 2007 02 FEB 2007
3. INSTALLATION AND LOCATION		
Kabul Afghanistan		
4. PROJECT TITLE	5. PROJECT NUMBER	
Camp Phoenix North Expansion	68628	
<p>ADDITIONAL: (CONTINUED)</p> <p>1) The construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of the Armed Forces in support of a declaration of war, the declaration by the President of a national emergency under Section 201 of the National Emergencies Act (50 U.S.C 1621), or a contingency operation.</p> <p>2) The construction is not carried out a military installation where the United States is reasonably expected to have a long-term presence.</p> <p>3) The United States has no intention of using the construction after the operational requirements have been satisfied.</p> <p>4) The level of construction is the minimum necessary to meet the temporary operational requirements.</p> <p>All required physical security and antiterrorism/force protection measures will be incorporated. Sustainable principles will be integrated into the development, design and construction of the project. Joint use potential will be incorporated where feasible.</p>		
<p>ESTIMATED CONSTRUCTION START: SEP 2007 INDEX: 2402</p> <p>ESTIMATED MIDPOINT OF CONSTRUCTION: NOV 2007 INDEX: 2410</p> <p>ESTIMATED CONSTRUCTION COMPLETION: FEB 2008 INDEX: 2423</p>		

ENCL 2

1. COMPONENT Army		FY 2008 MILITARY CONSTRUCTION PROJECT DATA		2. DATE 2 Jul 2008	
3. INSTALLATION AND LOCATION Camp Phoenix, Kabul, Afghanistan			4. PROJECT TITLE Camp Phoenix North Expansion		
5. PROGRAM ELEMENT		6. CATEGORY CODE 721 11	7. PROJECT NUMBER 68628	8. PROJECT COST (\$000) \$24,000	
9. COST ESTIMATES					
ITEM	L/M	QUANTITY	UNIT COST	COST (\$000)	
PRIMARY FACILITIES					
Administrative Facilities (JOC)	sf	33,540	84.45	2,832	
Barracks	sf	82,566	78.82	6,508	
Sanitary Sewer	LS	1	\$ 220,660.00	221	
Water Treatment and Storage	LS	1	1,000,000.00	1,000	
Storm Sewer	LS	1	160,000.00	160	
Telecommunication and Data Lines	LS	1	1,500,000.00	1,500	
Power Plant	LS	1	\$ 1,282,000	1,282	
Fuel Storage Tank	LS	1	52,000.00	52	
SUPPORTING FACILITIES					
Electrical Service	lf	1,200	566.60	680	
Water, Sewer, Gas	LS	1	440,000.00	440	
Antiterrorism measures	LS	1	1,619,000.00	1,619	
Site Imp Demo	LS	1	533,000.00	533	
ESTIMATED CONTRACT COST				16,827	
CONTINGENCY PERCENT (0.00%)				0	
SUBTOTAL				16,827	
SUPERVISION, INSPECTION & OVERHEAD (35%)				5,889	
DESIGN/BUILD - DESIGN COST (7.00%)				1,178	
TOTAL REQUEST				23,894	
TOTAL REQUEST (ROUNDED)				24,000	
INSTALLED EQT-OTHER APPROPRIATIONS				0	
<p>10. DESCRIPTION OF PROPOSED WORK: Construct barracks, Joint Operations Center (JOC) with relocation of existing wash rack, and support facilities for the Combined Security Transition Command - Afghanistan (CSTC-A). Supporting facilities include construction of electrical distribution grid, transformers, switchgear, water storage tanks, water and sewage distribution systems, mechanical systems, and construction of site security, ECP, walls, guard towers, bunkers for force protection measures.</p> <p>11. REQUIREMENT: Construct Camp Phoenix expansion for 1,000 personnel including living and administrative facilities. This extremely critical project is required to close 25 safe houses outside Camp Eggers base perimeter. This project is required to house and support an additional 1,000 personnel at Camp Phoenix to accommodate the move of CSTC-A personnel to the base and an increase of Task Force Phoenix personnel to support their mission.</p>					

ENCL 2

1. COMPONENT Army		2. DATE 2 Jul 2008	
FY 2008 MILITARY CONSTRUCTION PROJECT DATA			
3. INSTALLATION AND LOCATION Camp Phoenix, Kabul, Afghanistan		4. PROJECT TITLE Camp Phoenix North Expansion	
5. PROGRAM ELEMENT	6. CATEGORY CODE 721 11	7. PROJECT NUMBER 68628	8. PROJECT COST (\$000) \$24,000
9. COST ESTIMATES			
ITEM	U/M	QUANTITY	COST (\$000)
PRIMARY FACILITIES			
Administrative Facilities (JOC)	sf	33,540	13,555
Barracks	sf	82,566	2,832
Sanitary Sewer	LS	1	6,508
Water Treatment and Storage	LS	1	221
Storm Sewer	LS	1	220,660.00
Telecommunication and Data Lines	LS	1	1,000,000.00
Power Plant	LS	1	160,000.00
Fuel Storage Tank	LS	1	1,500,000.00
SUPPORTING FACILITIES			
Electrical Service	lf	1,200	1,282,000
Water, Sewer, Gas	LS	1	52,000.00
Antiterrorism measures	LS	1	566.60
Site Imp Demo	LS	1	440,000.00
ESTIMATED CONTRACT COST			
CONTINGENCY PERCENT (0.00%)			
SUBTOTAL			
SUPERVISION, INSPECTION & OVERHEAD (35%)			
DESIGN/BUILD - DESIGN COST (7.00%)			
TOTAL REQUEST			
TOTAL REQUEST (ROUNDED)			
INSTALLED EQT-OTHER APPROPRIATIONS			
<p>10. DESCRIPTION OF PROPOSED WORK: Construct barracks, Joint Operations Center (JOC) with relocation of existing wash rack, and support facilities for the Combined Security Transition Command - Afghanistan (CSTC-A). Supporting facilities include construction of electrical distribution grid, transformers, switchgear, water storage tanks, water and sewage distribution systems, mechanical systems, and construction of site security, ECP, walls, guard towers, bunkers for force protection measures.</p> <p>11. REQUIREMENT: Construct Camp Phoenix expansion for 1,000 personnel including living and administrative facilities. This extremely critical project is required to close 25 safe houses outside Camp Eggers base perimeter. This project is required to house and support an additional 1,000 personnel at Camp Phoenix to accommodate the move of CSTC-A personnel to the base and an increase of Task Force Phoenix personnel to support their mission.</p>			

ENC 3

1. COMPONENT ARMY		2. DATE 5 JAN 2012	
3. INSTALLATION AND LOCATION Afghanistan Various Afghanistan		4. PROJECT TITLE Rotary-Wing Parking & Taxiways, Ph 1	
5. PROGRAM ELEMENT	6. CATEGORY CODE 113 20	7. PROJECT NUMBER 73290	8. PROJECT COST (\$000) 25,000
9. COST ESTIMATES			
49.7200 AFGHANI/US\$	ITEM	U/M	QUANTITY
	PRIMARY FACILITY		
	Rotary Wing Parking Facility & Taxiway	m2	69,961
	Rotary-Wing Runway, Surfaced (210 mm)	m2	10,425
	Lighting, Holding Apron	LS	--
	Antiterrorism Measures	LS	--
	Lighting, Taxiway	LM	966
	Parking Apron, Standing Lights	LM	210
	SUPPORTING FACILITIES		
	Electric Service	LS	--
	Water, Sewer, Gas	LS	--
	Paving, Walks, Curbs And Gutters	LS	--
	Storm Drainage	LS	--
	Site Imp(1,011) Demo()	LS	--
	Antiterrorism Measures	LS	--
ESTIMATED CONTRACT COST			20,681
CONTINGENCY (10.00%)			2,068
SUBTOTAL			22,749
SUPERVISION, INSPECTION & OVERHEAD (7.70%)			1,752
DESIGN/BUILD - DESIGN COST (4.0000%)			910
TOTAL REQUEST			25,411
TOTAL REQUEST (ROUNDED)			25,000
INSTALLED EQT-OTHER APPROPRIATIONS			(0)
COE SEC CHGS (0)/NON-COE SEC CHGS (0)			0
10. Description of Proposed Construction Construct aviation parking apron, taxiway, lighting, markings, tiedown and grounding points at Contingency Operating Base (COB) Bastion/Tombstone. All parking spaces must be designed to support, at the minimum, a CH-47 helicopter. Supporting Facilities include electrical and water distribution systems, roads, and site improvements. This project is phase 1 of 2 phases. Phase one will provide a portion of support infrastructure for phase two such as but not limited to conduit, main drainage and electrical lines to allow a more cost efficient and effective design and construction.			
11. REQ: 190,220 m2 ADQT: NONE SUBSTD: 190,220 m2			
PROJECT: Construct Rotary-Wing Parking, Ph1, at Bastion/Tombstone Airfield, Helmand Province, Afghanistan.			

ENCL 3

1. COMPONENT	FY 2009 MILITARY CONSTRUCTION PROJECT DATA	2. DATE
ARMY		5 JAN 2012
3. INSTALLATION AND LOCATION		
Afghanistan Various Afghanistan		
4. PROJECT TITLE	5. PROJECT NUMBER	
Rotary-Wing Parking & Taxiways, Ph 1	73290	
<p>REQUIREMENT:</p> <p>There is an immediate requirement to construct rotary-wing parking and supporting facilities for the aviation mission at Bastion/Tombstone Airfield. Pavements and spacing will be CH-47 capable, and aircraft barriers will be provided only when required for parking other armed helicopters.</p> <p>CURRENT SITUATION:</p> <p>Currently, Bastion/Tombstone does not have sufficient facilities to support rotary wing aircraft operations and maintenance functions. US Forces have an immediate operational need for expansion of contingency operating base (COB) Bastion/Tombstone to meet operational requirements in southern Afghanistan. In order to facilitate the enduring US mission with its command & control element, helicopter support facilities must be collocated on COB Bastion.</p> <p>IMPACT IF NOT PROVIDED:</p> <p>Additional US Forces are augmenting current forces and require a large COB for rotational forces. If this project is not funded, US Forces will not have a designated and sufficient location for rotary-wing aircraft operations & basing after being deployed to Afghanistan. Without a place to conduct missions, operate & base aircraft, US Army aviation capabilities will be significantly degraded resulting in decreased operating capacity and combat effectiveness.</p> <p>ADDITIONAL:</p> <p>"This request is in accordance with the FY 2004 National Defense Authorization Act, Section 2808, as Amended.</p> <p>1) The construction is necessary to meet urgent military operational requirements of a temporary nature involving the use of the Armed Forces in support of a declaration of war, the declaration by the President of a national emergency under Section 201 of the National Emergencies Act (50 U.S.C 1621), or a contingency operation.</p> <p>2) The construction is not carried out at a military installation where the United States is reasonably expected to have a long-term presence, unless the military installation is located in Afghanistan, for which projects using this authority may be carried out at installations deemed as supporting a long-term presence.</p> <p>3) The United States has no intention of using the construction after the operational requirements have been satisfied.</p> <p>4) The level of construction is the minimum necessary to meet the temporary operational requirements."</p>		

DD FORM 1391C
1 DEC 76

PREVIOUS EDITIONS MAY BE USED INTERNALLY
UNTIL EXHAUSTED

PAGE NO. 2

ENCL 3

1. COMPONENT		2. DATE										
ARMY		FY 2009 MILITARY CONSTRUCTION PROJECT DATA										
		5 JAN 2012										
3. INSTALLATION AND LOCATION												
Afghanistan Various Afghanistan												
4. PROJECT TITLE		5. PROJECT NUMBER										
Rotary-Wing Parking & Taxiways, Ph 1		73290										
<p>ADDITIONAL: (CONTINUED)</p> <p>All required physical security and antiterrorism/force protection measures will be incorporated. Sustainable principles will be integrated into the development, design, and construction of the project. Joint use potential will be incorporated where feasible.</p>												
<table> <tr> <td>ESTIMATED CONSTRUCTION START:</td> <td>JAN 2009</td> <td>INDEX: 2467</td> </tr> <tr> <td>ESTIMATED MIDPOINT OF CONSTRUCTION:</td> <td>JUL 2009</td> <td>INDEX: 2491</td> </tr> <tr> <td>ESTIMATED CONSTRUCTION COMPLETION:</td> <td>JAN 2010</td> <td>INDEX: 2516</td> </tr> </table>				ESTIMATED CONSTRUCTION START:	JAN 2009	INDEX: 2467	ESTIMATED MIDPOINT OF CONSTRUCTION:	JUL 2009	INDEX: 2491	ESTIMATED CONSTRUCTION COMPLETION:	JAN 2010	INDEX: 2516
ESTIMATED CONSTRUCTION START:	JAN 2009	INDEX: 2467										
ESTIMATED MIDPOINT OF CONSTRUCTION:	JUL 2009	INDEX: 2491										
ESTIMATED CONSTRUCTION COMPLETION:	JAN 2010	INDEX: 2516										

**DODIG Draft Report-Dated 19 Dec 11
DODIG Project No. D2011-D000JB-0068.000**

**Guidance Needed to Prevent Military Construction Projects from Exceeding the
Approved Scope of Work**

**AFCENT Comments
on the Draft Report**

AFCENT

RECOMMENDATION A.3 (page 14, DODIG Draft Report)

We recommend that the Commander, U.S. Air Forces Central, and the Director, Air Force Center for Engineering and the Environment, ensure the design drawings for the munitions pads, a primary facility under Project CMBA093975, are in accordance with the permissible scope of work variations from the DD Form 1391. If it is not feasible to revise the design drawings, prepare and submit a revised DD Form 1391 to request that Congress decrease the permissible square meters for the munitions pads under Project CMBA093975.

AFCENT RESPONSE: AFCENT concurs with Recommendation A.3 regarding the scope of work variation on Project CMBA093975 and will submit a request to HQ ACC/A7 to complete the Title X, Section 2853 notification.

APPROVED BY:
Marvin W. Smith
Colonel, USAF
Director, A7 Installations

PREPARED BY:
David K Nelson
GS-13, USAF
USAFCENT A7P, [REDACTED]

**DODIG Draft Report–Dated 19 Dec 11
DODIG Project No. D2011-D000JB-0068.000**

**Guidance Needed to Prevent Military Construction Projects from Exceeding the
Approved Scope of Work**

**CCJ4 Comments
on the Draft Report**

CCJ4 Concurs with the following comments.

1. Page i. Summary of “What we found” regarding USAF project is not accurate, see comment # 3.
2. Page 1 Para 2. Actual MILCON during years stated is greater than \$6B. In addition, this cost does not include O& M funded construction projects.
3. Pages 5, 7, and 8. Project ACC 10-1101 is not a MILCON or a construction project. As stated, it is a repair project funded with O&M and does not fall within work classification of construction. Repair projects have different rules and regulations that guide their execution. A repair contract cannot include construction or expansion in its scope of work. This is why a separate construction project to construct ramps, expand taxiways was programmed and executed in conjunction with the repair project. This was a coordinated effort following work classification guidance to ensure a complete and usable airfield.
4. Page 10 Para 4. Regarding cost or scope decreases, this highlights the dynamic contingency construction environment in which we operate and the delay and amount of work required just to descope a project that is impacted by a change in strategy. A further recommendation would be for DoD to request relief from Congressional notification requirements for contingency MILCON when descoping and/or cost decreases occur.
5. General comment. Although briefly mentioned that processes generally met DoD needs and resulted in defined requirements, there are very few positive comments or discussion on what was found that was working and should be sustained. If the general consensus is that the process works, recommend highlight this fact as much as the deficiencies and recommended improvements.

APPROVED BY:
Judson Cook
Colonel, USA
Chief, Engineer Division, CCJ4-E

PREPARED BY:
David K Nelson
Lt Col, USAF
Engineer Staff Officer, CCJ4-E

Revised

U.S. Army Corps of Engineers Comments



DEPARTMENT OF THE ARMY
U.S. Army Corps of Engineers
441 G Street, NW
Washington DC 20314-1000

REPLY TO
ATTENTION OF:

CEMP-TAD

JAN 09 2012

MEMORANDUM FOR Department of Defense Inspector General (DODIG)

SUBJECT: U.S. Army Corps of Engineers (USACE) Response to DODIG Draft Report
"Guidance Needed to Prevent Military Construction Projects from Exceeding the
Approved Scope of Work".

1. The U.S. Army Corps of Engineers (USACE) welcomes the opportunity to review the draft report.
2. USACE concurs with the draft report and the specific recommendations that apply to USACE.
3. My point of contact for these comments is [REDACTED].

Enclosure

A handwritten signature in black ink, appearing to read "Tim Hess", is written over the typed name.

Timothy Hess, P.E.
Acting Chief, Transatlantic Division Regional
Integration Team,
Directorate of Military Programs

ENCLOSURE 1

Headquarters
U.S. Army Corps of Engineers
Response to Draft DODIG Report "Guidance Needed to Prevent Military
Construction Projects from Exceeding the Approved Scope of Work"

USACE RECOMMENDATIONS

A.4. We recommend that the Commander, U.S. Army Corps of Engineers:

a. Once Recommendation A.1. is implemented, develop and implement procedures to verify that the U.S. Army Corps of Engineers is performing scope verifications to ensure compliance with section 2853, title 10, United States Code.

USACE Response: Concur. USACE will implement procedures to check that scope verifications are being conducted for Military Construction projects to ensure compliance with Congressional intent and legislative requirements. USACE expects to implement these procedures 90 days after guidance is issued by the Deputy Under Secretary of Defense for Installations and Environment in accordance with Recommendation A.1.

b. Ensure the design drawings for the vehicle maintenance shop, a primary facility under Project 77608, are in accordance with the permissible scope of work variations from the DD Form 1391.

USACE Response: Concur. USACE is working with the contractor to correct the design and ensure it is in accordance with the 1391. USACE expects the revision to be completed by 31 March 2012.



Inspector General Department of Defense

